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PSC TO HOLD HEARING MARCH 20
ON SALE OF 10 QWEST TELEPHONE EXCHANGES
TO CITIZENS TELECOMMUNICATIONS COMPANY

The state Public Service Commission will conduct a hearing in Helena on Tuesday, March 20, concerning the proposed sale by Qwest of ten of its Montana exchanges to Citizens Telecommunications Company.

The hearing will begin at 1 p.m. in the Bollinger Room at the PSC, 1701 Prospect Ave.

Exchanges included in the proposed sale are Colstrip, Conrad, Cooke City, Cut Bank, East Glacier, Fairview, Forsyth, Shelby, St. Mary and West Glacier. There are a total of 12,000 Montana access lines involved in the sale.

Citizens is a subsidiary of the Delaware-based Citizens Utilities Co., and currently provides local phone service in Libby, Troy and Eureka.

If the sale is approved, Citizens will retain Qwest's existing rates for customers in the sold exchanges for at least six months after the sale.

Qwest, Citizens and the Montana Consumer Counsel, which represents the interests of residential and small business consumers in proceedings before the PSC, have asked the PSC to approve a stipulation they negotiated as a means to settle the issues in the sale proceeding. The stipulation calls for the PSC to declare the sale to be in the public interest and to refrain from allocating any portion of Qwest's profit on the sale to ratepayers. Also under the terms of the stipulation, Qwest would increase its accumulated depreciation reserve for its Montana operations by \$3 million, an amount that would not be reflected in Qwest customers' rates until the company files a general rate case in Montana.

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